

From: howard_diamond@corpsoft.com@inetgw
To: Microsoft ATR
Date: 1/28/02 10:13am
Subject: Microsoft Settlement

The outcome of Microsoft antitrust case will be critical to the technology industry's future. Unfortunately for those of us in the industry, the remaining states want to prolong the case and impose broad, irresponsible remedies.

The Microsoft antitrust case has been a key factor in slowing innovation and growth in Massachusetts's technology industry. It was not mere coincidence that the decline of the industry followed in the footsteps of this case. With the future of Microsoft and the Windows platform in doubt, the case brought crippling uncertainty to the industry. Smaller entrepreneurial companies that have been the lifeblood of this industry were forced to hold back on innovations because of their limited research and development budgets. With fewer innovations coming out of smaller software developers and uncertainty as to the future of the platform, corporations also slowed their own IT spending.

To make matters worse, the state attorneys general who did not to join the existing settlement are pursuing remedies that will wreak havoc on the rest of the industry as they attempt to lock down Microsoft. By some accounts, they would require Microsoft to produce over 1000 different versions of Windows. For software developers, the testing of products for bugs and compatibility issues is one of the most expensive parts of product development. How will the garage-based software developer ever meet the demands of testing their products on all those versions?

If the attorneys general want to ensure a healthy future for the technology industry, they will join the Department of Justice and nine other attorney generals in the effective settlement already reached. Further litigation will only continue the economic downturn and their proposed alternative to the settlement will likely result in further consolidation in the industry and the death of the independent software developer.

Howard Diamond
Chairman, Corporate Software & Technology